

# BACKGROUND

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In August 2007, North Carolina enacted comprehensive energy legislation, Session Law 2007-397 (Senate Bill 3). Among other things, Senate Bill 3 is intended to promote the development of renewable energy and energy efficiency. Section 4(c) of Senate Bill 3 provides as follows:

The Utilities Commission shall prepare an analysis of whether rate structures, policies, and measures, including decoupling, in place in other states and countries that promote a mix of generation involving renewable energy sources and demand reduction should be implemented in this State. The Commission shall submit this analysis to the Governor, Environmental Review Commission, and the Joint Legislative Utility Review Committee no later than 1 September 2008.

In preparing its analysis, the Commission not only reviewed available literature but also sought data and comments from electric power suppliers and other interested stakeholders. Although the Commission has jurisdiction only over the rates of electric public utilities in North Carolina, the Commission's analysis encompasses all electric power suppliers in North Carolina, including electric membership corporations and municipal electric suppliers, because Senate Bill 3 encompasses, and the General Assembly has jurisdiction over, all electric power suppliers in this State.

By Order dated February 15, 2008, the Commission initiated a proceeding in Docket No. E-100, Sub 116 to receive information from electric power suppliers and the public relevant to its analysis. In that Order, the Commission first sought assistance in identifying the rate structures, policies, and measures to be included in the Commission's analysis. As discussed below, numerous companies, organizations, and individuals filed comments with the Commission relevant to this analysis. A complete list of participants in the Commission's docket is attached as Appendix A.

The purpose of the Commission's docket, as noted in its June 2, 2008, Order on Clarification, was to allow the electric power suppliers in this State and other interested persons an opportunity to inform the Commission of their views with regard to the rate structures, policies, or measures under consideration and to assist the Commission in responding to the General Assembly's request, not to exercise jurisdiction over otherwise unregulated entities. No entity was required to participate, and the Commission stated that no rate structures, policies, or measures would be implemented without further proceedings.